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Implementation of PSAK 45 in Financial Reporting of the NTB Transportation Agency as an Effort to Increase Transparency and Accountability

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Abstract

In the era of globalization and increasingly fierce competition, transparency and accountability in government agency financial reporting has become very important. The implementation of accounting standards that are appropriate to regional conditions, such as PSAK 45, is the main basis for achieving openness and accountability in the government sector. This research aims to increase transparencyand accountability in the financial reporting of the NTB Transportation Servicethrough the implementation of PSAK 45. This research methodology uses a qualitative approach with descriptive analysis. The data collected were the financial reports of the NTB Transportation Service which were then analyzed to provide a clear picture regarding the implementation of PSAK 45. The results of this research indicate that the NTB Transportation Service uses SAP 01 guidelines in preparing itsfinancial reports, and has not presented several financial reports in accordance with SAP 01 or PSAK 45.

Keywords: ***PSAK 45, Government Financial Reports, Accountability***

INTRODUCTION

In the era of globalization and increasingly fierce competition, transparency and accountability of financial reporting of government agencies is very important. The application of accounting standards that are in accordance with regional conditions, such as PSAK 45 (Presentation of Local Government Financial Statements), is the main foundation for achieving transparency and accountability in the government sector. The

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Department of Transportation of West Nusa Tenggara (NTB) Province has an important role in managing public budgets and resources, so the application of PSAK 45 in its financial reporting is important.

The implementation of the Financial Accounting Standards for Non-Publicly Accountable Entities (PSAK 45) is an important step in complying with government policies and regulations related to financial accountability, governance, and transparency in the public sector. PSAK 45 provides financial reporting guidance for entities that are not government entities, such as NTB Transportation Services.

Governments and public sector organizations have an obligation to maintain transparency and accountability in public financial management. This is necessary so that the public, stakeholders, and other stakeholders can better understand and monitor the use of public funds. Therefore, the application of PSAK 45 in NTB transportation services is important because it aims to increase transparency and accountability.

Transparency in government financial reporting is a very important principle in improving accountability and public trust in public financial management. To understand the concept of transparency, we refer to the conceptual framework developed by (Charles, Scott & Wheeler, 2015), which emphasizes the importance ofgovernment financial information disclosure to stakeholders, including citizens. This concept focuses on the availability, accessibility and understandability of financial information.

Accountability is a fundamental principle in government financial reporting. (Mulvaney & Kells, 2017) provides a conceptual framework that identifies three main dimensions of accountability: financial accountability, management accountability and political accountability. The implementation of PSAK 45 should support these responsibilities by providing accurate, measurable and accountable financial information to stakeholders.

The implementation of PSAK 45 in the financial reporting of NTB transportation services is the process of applying these government accounting standards in the daily operations of local government agencies. This process includes collecting, processing and presenting financial information as required by PSAK 45.

During the implementation of PSAK 45, there are several challenges that needto be overcome. These challenges can be grouped into three aspects, namely technical, organizational and regulatory challenges. Technical challenges are related to the complexity of PSAK 45 regulations. Organizational challenges are related to cultural

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changes and internal understanding. Regulatory challenges include changes in government rules and regulations related to government financial reporting.

Proper implementation of PSAK 45 can improve the transparency of government financial information... By following the right standards, government agencies can provide more structured, consistent, and easily understood informationto stakeholders, including the public.

The implementation of PSAK 45 also plays an important role in strengthening accountability. By following these standards, government agencies can ensure that the financial information presented is accurate, relevant and accountable. This will encourage better decision-making and stronger accountability.

The problem formulation of the research can be formulated as follows:

a. How is the current implementation of PSAK 45 in the financial reporting of theNTB Transportation Agency done?
b. What is the role of PSAK 45 implementation in increasing the level of transparency in the financial reporting of the NTB Transportation Agency?
c. What is the role of PSAK 45 implementation in increasing the level of accountability in the financial management of the NTB Transportation Agency?
d. What is the role of PSAK 45 implementation in increasing the level of transparency in the financial management of the NTB Transportation Agency?

Based on this formulation, the purpose of this study is to increase transparency and accountability in the financial reporting of government entities, which in turn will provide benefits to the public and other stakeholders.

The research theme regarding the implementation of PSAK 45 in the financial reporting of the NTB Transportation Agency has significant relevance in the current industry. The Indonesian government, including in NTB, continues to strive to improve transparency and accountability in public financial management. In this context, this research makes a valuable contribution by exploring the challenges and opportunitiesin implementing PSAK 45 at the local level.

In addition, the results of this study can provide practical guidance for other local government entities facing similar challenges in an effort to comply with relevant accounting standards. Proper implementation of PSAK 45 can improve the quality of

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financial reporting, strengthen accountability, and build public trust in public financial management.

As such, this research has strong relevance in the context of local governments across Indonesia, which are currently striving to achieve higher levels of transparency and accountability in their financial reporting.

LITERATURE REVIEW

PSAK 45

PSAK 45 is an accounting standard that regulates financial reporting based on the principles of recognition, measurement, and explanation. This accounting standardis issued by the Indonesian Institute of Accountants and is very important in providing guidance for companies to prepare accurate and transparent financial reports (Niandari & Handayani, 2023). PSAK 45 is also known as "Financial Reporting for Entities Without Public Accountability" and has a broader scope than other accounting standards (Supatminingsih & Setyawati, 2018). PSAK 45 provides guidance on the elements of financial statements, measurement, revenue recognition, as well as disclosure requirements for entities without public accountability (Carolina et al., 2020). PSAK 45 also establishes requirements related to the preparation of financial statements that include the presentation of relevant information, disclosure of risks and uncertainties, and management's responsibilities in managing entities without public accountability (Hellman et al., 2018). All interviewees stated that they were familiar with the standard, but understanding the provisions did not shape behavior tomake decisions to implement PSAK 45 early (Pandanwangi et al., 2023).

Government Financial Statements

Government financial statements are reports that present information about the government's financial performance in a certain period (Niandari & Handayani, 2023). Government financial statements have a theoretical basis which includes several concepts and principles (Hidayah, 2020). One of the theoretical foundations of government financial statements is accrual-based accounting principles (Ruppel,2015). Accrual-based accounting principles are one of the theoretical foundations of government financial statements.

The financial report is a statement of the reporting entity contained in the components of the financial statements. Financial statements are a form of

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accountability for the management of state / regional finances during a period and accountability for the implementation of the Regional Budget (PP No. 24 of 2005) Thenin Law no. 15 of 2004 concerning Examination of State Financial Management and Responsibility, financial reports are a form of accountability as stipulated in Article 30, Article 31, and Article 32 of Law Number 17 of 2003 concerning State Finance, Article55 paragraph (2) and paragraph (3), and Article 56 paragraph (3) of Law Number 1 of2004 concerning State Treasury A similar definition is also contained in Government Regulation No. 8 of 2006 concerning Financial Reporting and Performance of

Government Agencies, namely as a form of accountability for state / regional financialmanagement during a period.

Accountability

The New International Dictionary (1996) states that accountability is "the qualityor state of being accountable, liable, or responsible." Although experts agree on the importance of accountability in public organizations, they define accountability with different meanings. (Minocha, 1983), (Inamdar, 1983), and (McCalum, 1984) define accountability as the legal obligation to answer or account for the actions of a public official, especially in relation to finance. However, (Dwivedi & Jabbra, 1985) considered this legal definition and approach to be inadequate. They adopted a more complex definition of accountability as "the methods by which a public agency or a public official fulfills its duties and obligations, and the process by which that agency or the public official is required to account for a sanction".

In addition, according to Article 3 of Law Number 28 of 1999 concerning the General Principles of State Administration, it is explained that what is meant by the "Principle of Accountability" is a principle that determines that every activity and the final result of the activities of State Administrators must be accountable to thecommunity or the people as the highest sovereignty holders of the state in accordance with the provisions of the applicable laws and regulations. Therefore, someone who gets a mandate must be accountable to those who give him trust. It can be concludedthat accountability is an action to account for what has been done by an organizationor government agency.

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RESEARCH METHOD

Methodology as stated by Bogdan and Taylor (Mulana, 2002) is the process, principles, and procedures we use to approach problems and seek answers. This definition emphasizes that methodology is a general approach to studying research problems.

This research is included in the category of qualitative research with a descriptive analysis approach, which is a method carried out by collecting, preparing,and analyzing data so as to get a clear picture of the problem under study. The descriptive analysis method aims to describe systematically, factually, and accuratelyabout the phenomenon or problem under study (Nawawi, 1998). As also stated by (Moh. Nazir, 1988), specifically: Descriptive method is a method that studies a group of people, an object, a set of conditions, a system of thinking or a type of event in thepresent.

Based on this approach, researchers will collect, compile and analyze data in the form of agency financial reports to later provide a clear picture of the application of PSAK 45 at the West Nusa Tenggara Transportation Agency.

RESULT AND DISCUSSION

The Department of Transportation of West Nusa Tenggara (NTB) Province asa Regional Apparatus Organization that leads the development and development of facilities and infrastructure in the field of Transportation, always strives for various development programs to accommodate the needs of the community for transportation services. various development programs to accommodate the needs of the community for transportation services. The divided role of the government in implementing transportation affairs contained in Law No.23 of 2014 concerning regional autonomy is a challenge in determining transportation policies. Periodic and continuous coordination continues to be carried out both vertically institutionally and through the local government of each Regency / City. The development of several transportation infrastructures consisting of land transportation, sea transportation and air transportation through both the APBD and APBN budgets is a manifestation of the government's attention to improving the economy of the people of West Nusa Tenggara and fulfilling the need for adequate transportation services.

Based on West Nusa Tenggara Province Regional Regulation Number 11 of 2016 concerning the Establishment and Composition of Regional Apparatus of West Nusa Tenggara Province (2016 Regional Gazette Number 11) and Governor Regulation

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Number: 50 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of Regional Offices of West Nusa Tenggara Province which carry out their main duties and functions in this case the West Nusa Tenggara Provincial Transportation Office has the task of assisting the Governor in carrying out regional government affairs in the field of Transportation based on the principles of autonomy, assistance and deconcentration. As of December 2019 there were 82 employees consisting of 63 State Civil Apparatus (ASN), 16 CPNS and 3 PTT with details of 60 male employees and 22 female employees.

In accordance with Governor Regulation Number: 50 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of Regional Offices of West Nusa Tenggara Province. The Transportation Agency has the task of assisting the Governor in carrying out regional government affairs in the field of Transportation based on the principles of autonomy, assistance and deconcentration.In carrying out its main task, the Transportation Department carries out functions:

1) Formulation of technical policies in the field of Transportation;
2) Planning of programs and activities in the field of Transportation;
3) Implementation of government affairs and public services in the field of Transportation;
4) Coordinating and fostering tasks in the field of Transportation;
5) Control and evaluation of the implementation of tasks in the field of Transportation;
6) Implementation of other tasks assigned by the Governor in accordance with his main duties and functions.

NTB Transportation Agency as one part of the provincial government, NTB Transportation Agency has an important role in ensuring mobility and connectivity inthe region, has a vision "The realization of professional, transparent and accountablepublic information services to increase the active participation of the community in the implementation of the development of the Transport sector in NTB Province" withthe following mission:

1) Improve the quality of public information services
2) Improve the professionalism of public information service human resources;
3) Improve infrastructure in order to improve the efficiency and effectiveness of public information services;
4) Improving the management of information and documentation in a good,

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efficient,accessible and appropriate manner.

1. Financial Report of NTB Transportation Agency

The purpose of preparing the Financial Statements of the Transportation Agencyof West Nusa Tenggara Province is to provide relevant information about the financialposition and all transactions carried out by the Transportation Agency of West Nusa Tenggara Province during one reporting period. Financial statements are primarily used to compare the realization of revenues, expenditures, transfers and financing with the established budget, assess financial condition, evaluate the effectiveness and efficiency of a reporting entity and help determine its compliance with laws and regulations.

The components of the Nusa Tenggara Provincial Transportation Agency's Financial Statements consist of (a) Balance Sheet; (b) Budget Realization Report (c) Operational Report; (d) Statement of Changes in Equity and (e) Notes to Financial Statements.

1) Balance Sheet

The balance sheet describes the financial position of a reporting entity in terms of assets, liabilities and fund equity at a specific date. The reporting entity classifies its assets into current and non-current assets and classifies its liabilities into short-term and long-term liabilities in the balance sheet. The reporting entity discloses each asset and liability item that includes amounts expected to be received or paid within 12 (twelve) months after the reporting date and amounts expected to be received or paid in more than 12 (twelve) months.

NO	URAIAN	2019
1	**Asset**	
	Aset Lancar	Rp 7.732.200,00
	Aset Tetap	Rp 80.702.961,85
	Aset Lainnya	Rp 469.877.167,00
	Total Asset	**Rp 81.180.571.215,85**
2	**Kewajiban**	
	Kewajiban Lancar	Rp 84.846.214,00
3	**Ekuitas**	
	Ekuitas	Rp 81.095.725.001,85
	Total Kewajiban dan Ekuitas	**Rp 81.180.571.215,85**

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In the asset post, the balance of Current Assets in the Balance Sheet of the WestNusa Tenggara Provincial Transportation Agency as of December 31, 2019 was valued at Rp. 7,732,200.00. Fixed Assets balance worth Rp.80,702,961,848.85. Other Fixed Assets worth Rp. 469,877,167.00. So the total assets of the NTB Transportation Agency in the 2019 fiscal year amounted to Rp 81,180,571,215.85. The balance of liabilities at the West Nusa Tenggara Provincial Transportation Agency as of December 31, 2019 amounted to Rp. 84,846,214.00. The balance of Equity as of December 31, 2019 was valued at Rp.81,095,725,001.85. Then the total liabilities and equity of the NTB Transportation Agency in the 2019 fiscal year amounted to Rp. 81,180,571,215.85.

2) Budget Realization Report

The Budget Realization Statement discloses the financial activities of local governments that demonstrate compliance with the APBD. The Budget Realization Statement presents an overview of the sources, allocations and uses of economic resources managed by the central/regional government in one reporting period. Other Legitimate PAD in 2019 was not budgeted in the 2019 fiscal year and realized Rp. 1,171,500.00. So the total revenue of the West Nusa Tenggara

NO	URAIAN	2019	
		Anggaran	Realisasi
1	**Pendapatan Asli Daerah**		
	Pendapatan Retribusi Izin Trayek	Rp 335.990.000,00	Rp 494.767.000,00
	Lain-Lain Pendapatan Asli Daerah yang Sah	Rp 00	Rp 1.171.500,00
	Total Pendapatan Asli Derah	**Rp 335.990.000,00**	**Rp 495.938.500,00**
2	**Belanja**		
	Belanja Operasional	Rp 16.712.425.379,50	Rp 13.990.822.242,00
	Belanja Modal	Rp 371.062.000,00	Rp 368.002.000,00
	Total Belanja	**Rp 17.083.487.379,50**	**Rp 14.358.824.242,00**

Provincial Transportation Agency during 2019 from the target of Rp.335,990,000.00 was realized at Rp.495,938,500.00. Operational Expenditure in 2019 is budgeted at Rp.16,712,425,379.50 and realized at Rp.13,990,822,242.00. Capital Expenditure in 2019 budgeted worth Rp.371,062,000.00 and realized worth Rp.368,002,000.00. Then the total

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expenditure at the Prov. NTB in 2019 is budgeted at Rp.17,083,487,379.50 and realized at Rp.14,358,824,242.00.

3) Operational Report

Statement of Operations which presents the following items:

a) Revenue-LO from operating activities,
b) Expenses from operating activities
c) Surplus/deficit from activities non-operating activities, ifany

d) Surplus/deficit-LO

NO	URAIAN	2019
1	**Pendapatan Asli Daerah – LO**	
	Pendapatan Retribusi Daerah – LO	Rp 494.667.000,00
	Lain-Lain PAD yang Sah – LO	Rp 1.171.500,00
	Total Pendapatan Asli Daerah – LO	**Rp 495.838.500,00**
2	**Beban**	
	Beban Pegawai	Rp 5.428.306.172,00
	Beban Barang dan Jasa	Rp 8.670.178.064,00
	Beban Penyusutan dan Amortisasi	Rp 3.653.560.990,29
	Total Beban	**Rp 17.752.045.226,29**
Defisit dari Kegiatan Non Operasional Lainnya		**Rp 976.000,00**
Surplus/Defisit – LO		**(Rp 17.257.082.726,29)**

Regional Original Revenue-LO of the Transportation Agency of West NusaTenggara Province consists of, Regional Retribution Revenue-LO as of December 31, 2019 amounting to Rp.494,802,000.00 and Other Legitimate PAD-LO as of December 31, 2019 amounting to Rp.1,171,500.00. Therefore, the total of Local Revenue-LO is 495,938,500.00. Employee Expenses as ofDecember 31, 2019 amounted to Rp 5,428,306,172.00. Goods/Services Expenses as of December 31, 2019 amounted to Rp 8,670,178,064.00. Depreciation and Amortization Expenses as of 31 December 2019 amountedto Rp 3,653,560,990.29. Therefore, the total expenses in 2019 amounted to Rp.17,752,045,226.29. Deficit from Other Non-Operating Activities as of December 31, 2019 amounting to Rp.976,000.00 and Surplus/Deficit-LO in 2019 amounting to Rp (17,257,082,726.29) includes Surplus/Deficit from Operating Activities

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in 2019 amounting to Rp (17,256,106,726.29), Surplus/Deficit from Non-Operating Activities amounting to Rp (976,000.00) and Surplus/Deficit from Extraordinary Items amounting to Rp.0.00.

4) Statement of Changes in Equity

The Statement of Changes in Equity presents at least the following items;

a) Initial equity
b) Surplus/Deficit-LO in the relevant period
c) Direct corrections that increase/decrease equity from, among others, the cumulative effect of changes in accounting policies and correction of basicerrors.
d) Ending equity.

URAIAN	2019
Ekuitas Awal/Ekuitas Tahun Sebelumnya	Rp 87.709.102.908,14
Surplus/Defisit – LO	(Rp 17.257.082.726,29)
Dampak Kumulatif Perubahan Kebijakan/Kesalahan Mendasar	(Rp 1.087.721.399,00)
Kewajiban Untuk Dikonsolidasikan	Rp 13.862.885.724,00
Ekuitas Akhir	Rp 81.095.725.001,85

The initial equity balance or equity in 2018 amounted to Rp.87,709,102,906.14. Surplus/Deficit-LO in 2019 amounted to Rp (17,257,082,726.29). Cumulative basic policy changes/fundamental errors at the Transportation Agency of West Nusa Tenggara Province amounted to Rp. (1,087,721,399.00). Liabilities to be consolidated amounting to Rp.13,862,885,742.00 are intermediary accounts between SKPD and SKPKD during 2019 which at the end of the year must be consolidated with SKPKD. Thus, the final equity of the NTB Transportation Agency amounted to Rp 81,095,725,001.85.

5) Notes to the Financial Statements

In order to be used by users in understanding and comparing with the financial statements of other entities, the Notes to the Financial Statements include the following items:

a) Information about fiscal/financial policies, macroeconomics,

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achievement of APBD Regional Regulation targets, along with constraints and obstacles faced in achieving targets.

b) Overview of financial performance achievements during the reporting year.

c) Information about the basis of preparation of the financial statements and the accounting policies chosen to be applied to significant transactions andother events.

The Notes to the Financial Statements are presented systematically. Each item in the Budget Realization Statement, Balance Sheet and Cash Flow Statement is cross-referenced with related information in the Notes to the Financial Statements. The Notes to the Financial Statements include an explanation or list or analysis of the value of an item presented in the Statement of Budget Realization, Statement of Operations, Statement of changes in Equity and Balance Sheet. Also included in the Notes to the Financial Statements is the presentation of information required and recommended by the Government Accounting Standards and other disclosures necessary for a fair presentation of the Financial Statements.

2. Implementation Of The Application Of Psak No 45 In The Transportation Department Of West Southeast Nusa

In the implementation of Statement of Financial Accounting Standards 45 (PSAK No. 45) at the West Nusa Tenggara Provincial Transportation Agency which is a Regional Apparatus Organization as well as a promoter of the development and development of facilities and infrastructure in the field of Transportation. Based on the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 37 of 2019 concerning Regional Financial Management Guidelines. This regulation is a revision of the previous regulation and provides further guidance on regional financial management, including the preparation of OPD financial reports.

Then the Accounting Standard used is Government Accounting Standard (SAP) 01 concerning Presentation of Local Government Financial Statements. Reporting Standards are made with the aim that the financial statements of regional apparatus organizations can be more easily understood, have relevance, and have high comparability. The author wants to compare the form

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and structure of the financial statements prepared by the Transportation Department of West Nusa Tenggara Province with PSAK Number 45. The reportscontained in the financial statements stipulated by PSAK No. 45 are:

1) Statement of Financial Position

In the financial statements prepared by the NTB Transportation Agency, there is a statement of financial position presented in the form of a balance sheet that provides information about the OPD's financial position at the end of each period. The Transportation Agency presents a balance sheet by displaying asset estimates at the top and passiva at the bottom.

a. Assets

PSAK No. 45 has regulated that assets are presented in the order of their liquidity and are grouped into current assets and non-current assets.In terms of sorting assets based on their liquidity

b. Passiva

Passiva on the hospital balance sheet is used to present groups of liabilities and net worth (equity). Presentation of liabilities according to PSAK No. IX.

45 are sorted by maturity date and grouped into short-term and long-termwhile net assets are grouped according to whether or not there are restrictions by donors, namely permanently bound, temporarily bound, and unbound.

The presentation of passiva estimates in the balance sheet of the Transportation Agency is sorted based on the maturity of obligations andfollowed by the presentation of the amount of net assets and the amount of hospital profits for the period concerned. The grouping as stipulated inPSAK No. 45 has been applied to the presentation of OPD passiva.

2) Activity Report

The activity report in a non-profit organization has a very important position.This activity report will provide information about changes in the organization'snet assets, information and grouping of income and expenses and information about the provision of services. The NTB Provincial Transportation Agency does not prepare an activity report as prescribed by PSAK Number 45 which presents information about the effect of

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transactions and other events that change the amount and nature of net assets, the relationship betweentransactions and other events and how resources are used in the implementation of various programs or services within a period.

3) Cash Flow Statement

The cash flow statement presents information about cash receipts and disbursements in a period. This report is used as a basis for assessing the organization's ability to use these flows. The assessment of the ability to generate cash is related to the activities carried out by the organization, namely operating, investing, and financing activities. The purpose of reporting cash flows is to provide information about the sources, uses, and changes in cashat the reporting date. This information is presented for accountability and decision making. In 2019, the NTB Provincial Transportation Agency did not present a cash flow statement in accordance with PSAK Number 45 by grouping the activities carried out by the company into three activity parts,mnamely, operating activities, investment activities, and funding activities.

4) Notes to the Financial Statements

Notes to the financial statements are an integral part of the above reports. The purpose of providing these notes is so that all financial information deemed necessary for readers to know has been disclosed. The notes to thefinancial statements are intended so that the financial statements can be understood by a wide range of readers, not limited to certain readers or management of the reporting entity.

In presenting the financial statements of the NTB Provincial Transportation Agency, there are notes to the financial statements which explain the general explanations of the organization, accounting policies of each account, and explanations of items. The explanation as stipulated in PSAK Number 45 has been applied in the notes to the financial statements.

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CONCLUSION

Based on the various descriptions of the financial statements of the West Nusa Tenggara Provincial Transportation Office and the implementation in the previous chapters, the following conclusions can be drawn:

1) The West Nusa Tenggara (NTB) Transportation Agency is a government agencyresponsible for managing the transportation and transportation sector in the province. As one part of the provincial government, Dinas Perhubungan NTB hasan important role in ensuring mobility and connectivity in the region.
2) The presentation of the financial statements of the West Nusa Tenggara Provincial Transportation Office uses Government Accounting Standards (SAP) 01 concerning Presentation of Local Government Financial Statements, with components consisting of (a) Balance Sheet; (b) Budget Realization Report (c) Operational Report; (d) Statement of Changes in Equity and (e) Notes to Financial Statements.

The implementation of Statement of Financial Accounting Standards Number 45 concerning Financial Reporting of Non-Profit Organizations is not appropriate as a guideline for preparing financial statements. In an effort to increase accountability and transparency, the preparation of financial statements such as the Activity Reportand Cash Flow Statement is highly recommended. The preparation of the two financial statements can refer to Statement of Financial Accounting Standards Number 45 concerning Financial Reporting of Non-Profit Organizations or Government Accounting Standard (SAP) 01 concerning Presentation of Local Government Financial Statements, which is adjusted to the needs of the West NusaTenggara Provincial Transportation Agency.

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